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15 June 1966

MEMORANDUM

SUBJECT: Meeting of the Interagency Southern Rhodesia-Zambia Problem and Plans Group on 14 June (33rd)

1. The chairman, Mr. McElhinney, AF/E (State), began his rundown of the current situation by commenting on the railroad problem. Seven thousand tons of Zambian copper are now sidetracked in Rhodesia awaiting settlement of the railroad's demand for prepayment of freight charges by Zambia. However, Lusaka apparently will permit the copper companies to pay these charges from their balances held in Salisbury. If this is done on regular basis, the balances apparently are sufficient to last for about five months. Imports into Zambia are as yet unaffected.

2. The transport experts in Lusaka believe that about two thirds of Zambia's normal copper exports (89,000 tons per month) can be handled by alternate routes to the Rhodesian railway system. Representatives from Zambia, Malawi, Tanzania are now discussing the problem and appear to favor development of the route through Mtwara in Tanzania. This involves a considerable amount of road construction as well as shipping across Lake Malawi for which scarce LST's may be urgently needed.

3. The Department of State has turned down a British request for talks on the Rhodesian-Zambian problem, replying that the question is multilateral in nature and not subject just to bilateral discussions between Washington and London. We have also queried the British as to their policy intentions regarding Salisbury. London has informed the Department that the Hart mission would be returning to Lusaka this Saturday for further discussions on sanctions against Rhodesia and British support for Zambia.

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4. Mr. McElhinney voiced his own belief that the British will probably settle with the Smith regime, permitting it to remain in power with a general commitment on its part to move toward majority rule in an unspecified period of time. He also suggested that there may soon be difficulties concerning the Kariba dam and power station. An interest payment of £ 1,250,000 is due this month, and Southern Rhodesia is likely to refuse payment. In the past London has covered for Salisbury. In addition the terms of the Rhodesian and Zambian members of the Kariba power board terminate this month and some method for their replacement has to be worked out.

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Office of Current Intelligence

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